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09/972,191	10/09/2001	Peter T. Main	723-1176	3125

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EXAMINER

BOVEJA, NAMRATA

ART UNIT	PAPER NUMBER
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3622

DATE MAILED: 08/25/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/972,191	Applicant(s) MAIN ET AL.	
	Examiner Namrata Boveja	Art Unit 3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 09 October 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-24 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-24 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 09 October 2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>10/9/01 & 3/2/05</u> | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. Claims 1-24 are presented for examination.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209

USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the

"technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*,

Art Unit: 3622

61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

2. Claims 1-24 are rejected under 35 U.S.C. 101, because they do not apply, involve, use, or advance the technological arts. Specifically, claims 1, 7, 13, 16, 19, and 22 are rejected because they recite "determining the cost of at least one item ordered by a user," "providing data relating to the amount of credit to a computer system," "displaying the amount of credit available to the user," and "determining the amount of bonus credit," where no manipulation or calculation is being performed by the technology, and where a mere display of data does not advance the technological arts. Furthermore, in reference to claims 1, 7, 13, 16, 19, and 22, "calculating an amount of credit" and "calculating the total amount of credit" are all steps that can be performed in the mind of the user or by the use of a pencil and paper, and therefore, do not advance the technological arts. Since claims 2-8, 9-12, 14, 15, 20, 21, 23, and 24 suffer from the same deficiencies; they are herein rejected under a similar rationale as applied above to claims 1, 7, 13, 16, 19, and 22.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

3. Claims 1-12, 14, 15, 17, 18, 20, 21, 23, and 24, are rejected under 102(a) as being anticipated by Acer America's "Channel Forum" website

(<http://www.acer.com/aac/channel>) (from dates 11/08/1999 and 03/09/2000 captured by the Wayback Machine Internet Archives).

In reference to claims 1 and 7, the Acer America's "Channel Forum" website (see the first set of NPL documents) discloses a method of implementing a marketing program for items being sold by a user, the method comprising: generating an internet web page using a computer system, the web page being accessible by the user (<http://www.acer.com/aac/channel> is a webpage that is accessible by the user); determining a cost of an item ordered by the user (done by Acer Authorized Distributors who supply Point of Sales reports of reseller net purchases and returns by the 10th of each month from the distributors to determine co-pop accruals for system and product sales to the resellers who maintain \$50,000 (Acer Premier) or \$250,000 per quarter (Acer Diamond) Page 3); calculating an amount of credit based on the cost of the item ordered by the user (this is done by Acer after the distributors submit information monthly regarding Point of Sales information for the resellers to give Acer Diamond resellers 2.0% credit of net purchases for Desktops & Notebooks for example); the amount of credit being for use by the user to defray costs associated with marketing the items being sold by the user (Acer authorizes these funds to "be used toward activities that have the goal of increasing business of Acer products," and a description of the activities is provided on Page 4, and they also provide a marketing collateral order form where resellers can buy corporate materials such as brochures, posters, and CD's to help market the products provided on Page 8); and displaying, via the web page, the amount of credit available for use by the user (shows that the user has 1,000 points of

credit available for use by the user just for having joined the program online with Acer as shown on Page 9).

4. In reference to claims 2 and 8, the Acer co-op marketing program teaches the method wherein marketing activities comprise at least one of advertising, merchandising, or promotions (there are lots of different types of activities that are explained in the Acer co-op marketing program including advertisements and promotions on Page 4).

5. In reference to claims 3 and 9, the Acer America's "Channel Forum" website's Acer co-op marketing program pages teach the method of further comprising establishing an online link on the web page, wherein selection of the online link initiates another web page that displays at least one of the following (when you click on the link for Co-op program requirements and guidelines from the Overview Page on Page 1, it takes you to the Acer Advantage Reseller Program Co-op Marketing Fund Guidelines Page on Page 2): a cost of each item ordered by the user, an accrual rate used to determine an amount of credit for each item ordered by the user (this is shown on Page 3, which is one of the pages that's shown at the Acer Advantage Reseller Program Co-op Marketing Fund Guidelines Page), an amount of credit already approved for use by the user (100% will be reimbursed up to the point of the accrued co-op funds for approved activities as listed on Page 4, which is one of the pages that's shown at the Acer Advantage Reseller Program Co-op Marketing Fund Guidelines Page), and pending requests for expenditures from the user.

6. In reference to claims 4 and 10, the Acer America's "Channel Forum" website teaches the method of further comprising determining bonus credit earned by the user by performing tasks (Acer rewards bonus points and a CyberScratchers, a digital version of the popular scratcher cards for performing the task of reading an article about a product and completing a quiz about that product for the reseller as seen on Pages 10-11, and CyberScratchers also contain points that are added to the resellers totals (not stated explicitly, but this is the description of this particular rewards program), and Acer offers points when resellers first enroll as seen on Page 9, the bonus credit being used by the user to defray costs of its marketing activities (these points earned can be used to bid for promotional and Acer products from the online Auction catalog (not stated explicitly, but this is part of the description of this particular rewards program, and there is a screen showing how the user can log on to access the auction center or to find out how to earn Cyberscratchers on Page 12).

7. In reference to claims 5, 11, 14, 17, 20, and 23, the Acer America's "Channel Forum" website teaches the method wherein the tasks performed by the user to earn bonus credit comprise advertising a certain item during a predetermined time period (as seen on Page 13, Acer had a Spring Notebook Promotion for the Channel Partners where certain notebooks advertised in the Spring (i.e. a predetermined time period) were eligible for a discount (i.e. a bonus credit, since they still get the percentage credit for making the total amount of purchases under the co-op marketing program as described on Page 3) and the resellers could complete a redemption form to receive this rebate (the link can for the rebate can only be accessed by an authorized reseller)).

Art Unit: 3622

8. In reference to claims 6, 12, 15, 18, 21, and 24, the Acer America's "Channel Forum" website teaches the method wherein the tasks performed by the user to earn bonus credit comprise advertising a certain item for at least a predetermined price ((where predetermined price can be any price, i.e. manufacturer's suggested retail price or a discounted price that can be set by the reseller or the manufacturer) (as seen on Page 4, it is inherent that advertising of a certain item at a specific price is done for a specific amount of time, since it is mentioned that that approved marketing activities which includes blitz days (i.e. when resellers have a special sale on some items and promote that item) and sales promotions (which can be a coupon for dollars off a certain item and has an expiration date), be submitted to Acer within six months of the activity date for reimbursement, and therefore, the sales event where an item is advertised for a specific price could occur for one day in the case of a blitz or for a given length of time in the case of a coupon or in store promotion or weekly advertisements).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. Claims 13, 16, 19, and 22 are rejected under U.S.C. 103(a) as being unpatentable over Acer America's "Channel Forum" website

(<http://www.acer.com/aac/channel>) (from dates 11/08/1999 and 03/09/2000 captured by the Wayback Machine Internet Archives) in view of Official Notice.

In reference to claims 13 and 16, the Acer America's "Channel Forum" website (see the first set of NPL documents) teaches a method of marketing comprising: determining a cost of at least one item ordered by a user (done by Acer Authorized Distributors who supply Point of Sales reports of reseller net purchases and returns by the 10th of each month from the distributors to determine co-pop accruals for system and product sales to the resellers who maintain \$50,000 (Acer Premier) or \$250,000 per quarter (Acer Diamond) Page 3); calculating an amount of credit for use by the user to defray costs of its marketing activities (Acer authorizes these funds to "be used toward activities that have the goal of increasing business of Acer products," and a description of the activities is provided on Page 4, and they also provide a marketing collateral order form where resellers can buy corporate materials such as brochures, posters, and CD's to help market the products provided on Page 8), the amount of credit being based on a cost of the ordered item (this is done by Acer after the distributors submit information monthly regarding Point of Sales information for the resellers to give Acer Diamond resellers 2.0% credit of net purchases for Desktops & Notebooks for example), determining an amount of bonus credit also for use by the user to defray costs of its marketing activities, the bonus credit being earned by the user if the user has advertised, merchandised or promoted a certain item ((here, advertised and promoted are taken to be synonyms, and merchandising a certain item is taken to mean the same thing as buying, ordering, or purchasing (all synonyms) that item and

Art Unit: 3622

therefore this is the same as issuing a credit based on a cost of the ordered item from above) (Acer authorizes these funds to "be used toward activities that have the goal of increasing business of Acer products," and a description of the activities is provided on Page 4, and they also provide a marketing collateral order form where resellers can buy corporate materials such as brochures, posters, and CD's to help market the products provided on Page 8, and Acer calculates the amount of the credit after the distributors submit information monthly regarding Point of Sales information for the resellers to give Acer Diamond resellers 2.0% credit of net purchases for Desktops & Notebooks for example)); calculating a total amount of credit by adding the amount of credit based on the cost of the ordered item and the bonus credit (this total is inherently calculated by Acer and the statements are sent via mail to the resellers directly on a quarterly basis as shown on Page 3); providing data relating to the total amount of credit to a computer system (this is also done inherently on Page 3, since the data of net sales = purchases minus returns is what is calculated and printed on the statements for the resellers is done by using the point of sales data sent by the Acer Authorized Distributors to some computing device that generates these reports for mailing). The Acer America's "Channel Forum" website is silent about generating a web page using the data provided to the computer system, the web page displaying at least the total amount of credit available to the user for its marketing activities.

Official notice is also taken that the Acer America's "Channel Forum" website teaches providing data relating to the total amount of credit available to the user for its marketing activities (Acer sends out statements quarterly to each reseller directly using

the Acer Diamond and Acer Premier accrual rates as indicated on Page 3) except for presenting this information to a computer for display on a website. It would have been obvious to one having ordinary skill in the art at the time the invention was made to provide this information on a website, since Acer already has a reseller website, and posting this information on the website would enable resellers to receive the statements faster than having the statements mailed to them. Furthermore, it would save Acer shipping costs. Additionally, it has been held that broadly providing a mechanical or automatic means (web based access to amount of credit information) to replace manual activity (mailed statements containing amount of credit information in hardcopy format) which has accomplished the same result (delivers amount of credit information) involves only routine skill in the art. *In re Venner*, 120 USPQ 192.

10. In reference to claims 19 and 22, the Acer America's "Channel Forum" website (see the first set of NPL documents) teaches a method of marketing comprising: determining an amount of credit to be awarded to a user to defray costs of its marketing activities (this is done by Acer after the distributors submit information monthly regarding Point of Sales information for the resellers to give Acer Diamond resellers 2.0% credit of net purchases for Desktops & Notebooks for example, Acer authorizes these funds to "be used toward activities that have the goal of increasing business of Acer products," a description of the activities is provided on Page 4, and Acer also provides marketing collateral order forms using which resellers can buy corporate materials such as brochures, posters, and CD's to help market the products as provided on Page 8), determining whether the user is entitled to the credit by determining

whether the user has advertised, merchandised, or promoted a certain item (this is done by Acer prior to providing the co-op credits to resellers by requiring that the resellers submit a claim form, invoices, rate cards, samples, prior approvals, and other documentation as seen on Pages 3 and 4 to make sure the co-op marketing funds are used to increase the business of Acer products only); providing data relating to the total amount of credit to a computer system (this is also done inherently on Page 3, since the data of net sales = purchases minus returns is what is calculated and printed on the statements for the resellers is done by using the point of sales data sent by the Acer Authorized Distributors to some computing device that generates these reports for mailing). The Acer America's "Channel Forum" website is silent about generating a web page using the data provided to the computer system, the web page displaying at least the total amount of credit available to the user for its marketing activities.

Official notice is also taken that the Acer America's "Channel Forum" website teaches providing data relating to the total amount of credit available to the user for its marketing activities (Acer sends out statements quarterly to each reseller directly using the Acer Diamond and Acer Premier accrual rates as indicated on Page 3) except for presenting this information to a computer for display on a website. It would have been obvious to one having ordinary skill in the art at the time the invention was made to provide this information on a website, since Acer already has a reseller website, and posting this information on the website would enable resellers to receive the statements faster than having the statements mailed to them. Furthermore, it would save Acer shipping costs. Additionally, it has been held that broadly providing a mechanical or

automatic means (web based access to amount of credit information) to replace manual activity (mailed statements containing amount of credit information in hardcopy format) which has accomplished the same result (delivers amount of credit information) involves only routine skill in the art. *In re Venner*, 120 USPQ 192.

Conclusion

11. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure include the following.

- a) American National Business Hall of Fame, ANBHF.
<http://www.anbhf.org/laureates/mkash.html> "Mary Kay Ash Mary Kay Cosmetics." Teaches about how multi-level marketing enables sales consultants to buy at up to 50% of retail and how they use some of this profit for advertising their own business and to buy more products.
- b) Bezos Patent Number 6,029,141. Teaches an Internet-based referral system.
- c) Business Wire. "Costco Wholesale Corporation Reports March Sales Results and the National Rollout of a 2% Annual Reward Program for Executive Members." April 6, 2000. Pg. 1. Teaches a reward program for small businesses.
- d) Business Wire. "Discover Acer – Innovative Reseller Program Rewards Online Participation and Builds Brand Awareness." October 26, 1998. Pg. 1. Teaches rewarding Acer resellers for answering quizzes and sales

achievements with CyberScratchers and points that can be used for ordering Acer products from the online Auction catalog.

- e) DealINN Archives. <http://www.dealinn.com/archives/archives.phtml>. Teaches rebates and promotions from year 2000 for Acer products.
- f) Oas, Robert. "Acer resellers react to online interaction." Potentials. June 1999. Vol. 32, Iss. 6. Pg. 12. Teaches the Acer reseller website and rewards program.
- g) PR Presswire. "Acer Takes 'Channel Champion' High-Ground." April 21, 1998. Teaches Acer's Channel Forum website and AcerAuthorized reseller program benefits.
- h) Storey Patent Number 5,774,870. Teaches a fully integrated, on-line interactive frequency and award redemption program.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Namrata (Pinky) Boveja whose telephone number is 571-272-8105. The examiner can normally be reached on Mon-Fri, 8:30 am to 5:00 pm.

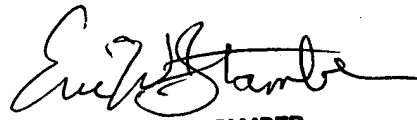
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on 571-272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8105. On July 15, 2005, the Central FAX Number will change to **571-273-8300**. This new Central FAX Number is the result of relocating the Central FAX server to the Office's Alexandria, Virginia campus.

Art Unit: 3622

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 1866-217-9197 (toll-free).

NB

August 22nd, 2005



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